subject to enforcement action in accordance with the procedures in 10 CFR part 2, subpart B.

- (c) For the purposes of paragraph (a)(1) of this section, deliberate misconduct by a person means an intentional act or omission that the person knows:
- (1) Would cause a licensee or applicant to be in violation of any rule, regulation, or order; or any term, condition, or limitation, of any license issued by the Commission; or
- (2) Constitutes a violation of a requirement, procedure, instruction, contract, purchase order, or policy of a licensee, applicant, contractor, or subcontractor.

[63 FR 1899, Jan. 13, 1998]

Subpart B—Exemptions

§ 70.11 Persons using special nuclear material under certain Department of Energy and Nuclear Regulatory Commission contracts.

Except to the extent that Department facilities or activities of the types subject to licensing pursuant to section 202 of the Energy Reorganization Act of 1974 are involved, any prime contractor of the Department is exempt from the requirements for a license set forth in section 53 of the Act and from the regulations in this part to the extent that such contractor, under his prime contract with the Department receives title to, owns, acquires, delivers, receives, possesses, uses, or transfers special nuclear material for:

(a) The performance of work for the Department at a United States Government-owned or controlled site, including the transportation of special nuclear material to or from such site and the performance of contract services during temporary interruptions of such transportation; (b) research in, or development, manufacture, storage, testing or transportation of, atomic weapons or components thereof; or (c) the use or operation of nuclear reactors or other nuclear devices in a United States Government-owned vehicle or vessel. In addition to the foregoing exemptions, and subject to the requirement for licensing of Department facilities and activities pursuant to section 202 of the Energy Reorganization

Act of 1974, any prime contractor or subcontractor of the Department or the Commission is exempt from the requirements for a license set forth in section 53 of the Act and from the regulations in this part to the extent that such prime contractor or subcontractor receives title to, owns, acquires, delivers, receives, possesses, uses, or transfers special nuclear material under his prime contract or subcontract when the Commission determines that the exemption of the prime contractor or subcontractor is authorized by law; and that, under the terms of the contract or subcontract there is adequate assurance that the work thereunder can be accomplished without undue risk to the public health and safety.

[40 FR 14085, Mar. 28, 1975; 40 FR 16047, Apr. 9, 1975; as amended at 43 FR 6924, Feb. 17, 1978; 65 FR 54950, Sept. 12, 2000]

§ 70.12 Carriers.

Common and contract carriers, freight forwarders, warehousemen, and the U.S. Postal Service are exempt from the regulations in this part to the extent that they transport special nuclear material in the regular course of carriage for another or storage incident thereto. This exemption does not apply to the storage in transit or transport of material by persons covered by the general license issued under §70.20a and §70.20b.

 $[46~{\rm FR}~12696,~{\rm Feb.}~18,~1981]$

§ 70.13 Department of Defense.

The regulations in this part do not apply to the Department of Defense to the extent that the Department receives, possesses and uses special nuclear material in accordance with the direction of the President pursuant to section 91 of the Act.

§ 70.14 Foreign military aircraft.

The regulations in this part do not apply to persons who carry special nuclear material (other than plutonium) in aircraft of the armed forces of foreign nations subject to 49 U.S.C. 40103(d).

[71 FR 15012, Mar. 27, 2006]